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(p. 395), and emphatically to regulate inheritance. From this reasoning it follows that it is desirable to maintain "the fluidity of property," the readiness of conversion between public and private forms, the ease of change in the degree of "the extensivity or the intensivity" of its content. Private property is to be "universalized." The nature and justice of expropriation is presented as a remedy for the "failure of free contract to secure the social welfare." To Ely, as to von Ihering, "the idea of expropriation is in harmony with the idea of social evolution" (p. 496).

Contract is a factor inseparable from property. Distribution is brought about more by contract than by any other force. As time goes on "economic life is more and more made up of social relations." "Public necessity, public welfare and public policy are above private contract" (p. 730).

The social theory of property and contract requires a more scientific and flexible legislation, and a judiciary with "an enlightened twentieth century philosophy."

The work is characterized by Professor Ely's customary exactness of definition, fullness of reference to other authors, and thoroughness of bibliography. Professor Orth's table of cases on property tempts the busiest student to reading the decisions.

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Welfare as an Economic Quantity. By G. P. WATKINS. Hart, Schaffner & Marx Prize Essays, XVII. (Boston: Houghton Mifflin Company. 1915. Pp. xxv, 191. \$1.50.)

Mr. Watkins, of the Bureau of Statistics and Accounts of the Public Service Commission of New York, has written an excellent and interesting volume whose title is a fair indication of its contents, though one may quarrel with his use of the word quantity. Quantity implies measurement and nowhere in the book do I find any indication of a measure of welfare. It is a study of economic consumption which shows a thorough acquaintance with authorities, especially Patten. The treatment is highly abstract even on topics susceptible of more concrete handling, but the author engages himself to make a different kind of study at a later date. Yet one must grant that the book abounds in pertinent and felicitous illustrations.

"Doubtless welfare is primarily psychical. The phrase 'an economic quantity' moreover, should be taken in a restrictive sense,

leaving some elements of welfare admittedly not economic. For the rest, we may insist that whatever is controlled by economic means and regulated by economic motives is in so far economic" (p. xxi). With such a platform the author gives an analysis of utility which is full and discriminating and a very thorough study of the law of diminishing utility (characterized by a mathematical demonstration in which the reviewer finds himself out of his depth) in which he takes issue with Patten because the latter sometimes makes its curve a straight line. In this I think Mr. Watkins has proved his point.

The most original contribution he makes is the conception of "transputed" utility which differs from the "imputation" of the Austrian school in confining itself to but one or a few of the elements of complementary utility instead of laying equal emphasis upon all the members of a group. "Transputed utility is due to a relation to other goods such that their full use and enjoyment is felt to be practically so thoroughly dependent upon the good in question that its utility is exalted and theirs depressed" (p. 14). Again, "Transputed utility may be described as monopolized complementary value" (p. 120). Like utility proper, it always has economic value.

I question the fruitfulness of this concept of transputation equally with that of imputation. There is no way in which one can measure it except by the market. Price is much more important for economics than value. There is much discussion among economists and philosophers today about value, and it is profitable discussion. Such books as the one under review and J. A. Hobson's *Work and Wealth: A Human Valuation* are interesting and important excursions into the realm of ethics, but they seem to me to be of doubtful economic importance. Economics must be satisfied to be merely a descriptive science; if, indeed, all science be not descriptive.

Mr. Watkins makes a distinction between utility and value which is common enough but, I believe, fundamentally unjustifiable. Granting that beefsteak and potatoes are food and that sawdust is not, the utility of food is based upon physiological desire. And all utility is based upon desire equally with other goods. It is because of this fact that all attempts to measure values by any other means than the market must fail. Men *are* unwise, they are infinitely different in capacity and training. The love of distinction, as Professor Taussig insists, is a powerful economic motive, and it will lead men for many centuries—probably always—to the

purchase of things which do lead to their welfare because they are pleased when they get them.

An important note (pp. 44-46) discusses the commensurability of all qualities that make goods economically desirable. The author shows a familiarity with psychological and ethical bases of value which is rare in an economist and to be heartily welcomed. The reviewer takes issue with him as to the possibility of measuring values at all in spite of the high authority quoted, and he asks, moreover, what is the pertinence of the reference to Titchener's *Elementary Psychology of Feeling and Attention* there cited. It is not readily apparent to one familiar with that study. Moreover, the attempt to apply the Weber-Fechner law of stimulation to the measurement of economic values is, I think, doomed to failure though it is made in the true spirit of science. A thorough discussion of the points at issue would require much greater space than is available here.

The remainder of the book discusses such topics as processive and existential utility, the complementary relation in general, the standard of life as a part of this, following Patten, and devotes some very vigorous pages to adventitious utility which would be of great value to the newly rich especially, if they could be brought to read them. This is admirable preaching but, like much preaching, fails of its effect because those who need it are never in church!

The reviewer claims that the economic interpretation of history and the economic construction of society must fail because men are not fundamentally engaged in either the production or the consumption of wealth but rather in realizing their own ideals. These ideals may be those of the saint, the vulgar rich, or the insolently powerful. Any of them will upset economic calculation. The average reasonable man, to whom Mr. Watkins appeals, does not exist.

For the rest, I echo heartily his closing words on democracy: "Democracy is a society of peers. A democrat is not a leveller. He would, it is true, destroy causes of artificial elevation. . . . He has no use for the lord, or the vassal or the slave. Patronalism and paternal or Tory Socialism do find places for the inferior and for natural slaves. True democracy can not." This is a book as far as possible removed from the "dismal science." It is stimulating, scholarly, and well written.

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